

## **MLG has reached agreement to dispose of its two high-capacity crushing plants for \$19.0m**

MLG Oz Limited (ASX:MLG) (“MLG”) is pleased to announce that it has agreed to sell both of its high-capacity crushing plants to an unrelated third party purchaser. The two plants will be decommissioned and prepared for transport. MLG is responsible for the decommissioning and transport of the plants and related ancillary equipment to the designated third-party site for laydown, but will not be involved in any future commissioning of the plants.

The sale includes both high-capacity plants and an agreed list of ancillary equipment and inventory. Subject to all relevant pre-mobilisation activities being completed, the decommissioning process is expected to commence in late February 2023 with final transport and sign off expected to be completed by June 2023.

The purchaser is part of a corporate group that has substantial financial resources. The purchase price will be funded through the Purchaser group’s existing cash reserves rather than debt and, as a result, the sale is not subject to a finance condition.

### **HIGHLIGHTS:**

- \$19.0m Asset Sale Agreement signed for the two high-capacity crushing plants.
- MLG’s decommissioning and transportation costs anticipated to be circa \$2.0m.
- Net proceeds expected to be circa \$17.0m.
- Non-cash loss on sale of the plants anticipated to be circa \$6.0m.
- A further non-cash impairment of inventory and ancillary equipment expected to be circa \$3.0m.
- Approximately \$17.0m net proceeds will reduce MLG’s debt position and provide additional working capital into the business.
- Payment installments will be:
  - 10% payment on execution of sale and purchase agreement and the satisfaction of certain customary conditions precedent for a transaction of this kind
  - 50% payment on commencement of decommissioning
  - 35% payment on final delivery to site of all equipment
  - 5% payment on client sign off on all parts and equipment being received (formal dispute provisions within sale and purchase agreement).
- The final two payments are subject to client sign-off on receipt of all components and the completion of any identified and agreed rectification works by MLG.

MLG founder, Managing Director and majority shareholder, Mr Murray Leahy said:

“We have been in discussion with a number of parties to determine the best option available to us to either dispose of these assets or establish an appropriate long-term operation for them.

Given the long lead time and high working capital requirement associated with redeploying the assets, we are very pleased to have secured an outright sale. The certainty of this option and the immediate release of capital given the current demand for MLG services and our capital position, is a very good outcome for MLG”

MLG Oz Limited (ASX:MLG), (“MLG”) is a founder led business which provides a range of services to mine sites, integrated around the needs of client’s ore processing facilities. MLG is an Australian company based in Kalgoorlie, Western Australia, which provides integrated services across gold, iron ore, and other base metal clients throughout Western Australia and in the Northern Territory.

MLG’s integrated business model offers clients a range of services under a single contractual framework. The breadth of services encompasses crushing and screening capabilities including build, own and operate models, contract crushing and screening services, crusher feed, and material management. The Company’s integrated mine site service offering spans a range of capabilities including; on road and off road bulk haulage capacity, civil construction, road maintenance, rehabilitation work, vehicle maintenance, machine and labour hire, and end-to-end bulk commodity export logistics solutions. A dedicated facility at the Esperance Port supports export logistics services.

In addition to the provision of integrated service offerings above, MLG’s 100%-owned quarries are strategically located near existing mining operations which facilitates the efficient supply of bulk construction materials (sand, and aggregate) to our clients.

This release contains certain forward looking statements and forecasts, including in relation to possible or assumed future performance, costs, dividends, rates, prices, revenue, potential growth of MLG Oz Limited, industry growth or other trend projections.

Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of MLG Oz Limited. Actual results and developments may differ materially from those expressed or implied by these forward looking statements, depending on a variety of factors.

Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Authorised for release by the Board of Directors.

**Investor contact**

Phil Mirams  
Chief Financial Officer  
Phone: 08 6118 5106  
Email: [investors@mlgoz.com.au](mailto:investors@mlgoz.com.au)

**Media contact**

Michael Vaughan  
Fivemark Partners  
0422 602 720